JAPAN · ECONOMIC · INSTITUTE

JEI

REPORT

NO. 7A February 17, 1984

JAPAN'S BUDGET: LEADERSHIP AND CONTROL

Summary

Within weeks after the December election, the Nakasone administration had prepared a draft of the FY 1984 budget. Despite the high budget deficit, Prime Minister Nakasone seems to have exercised strong leadership in favor of increased spending for defense and foreign economic assistance, although the executive's ability to shape budget decisions is actually rather marginal, particularly under the conditions imposed by the existence of both a large deficit and a powerful government bureaucracy.

This year, the budget deliberation process will not move as smoothly as in the past because the Liberal Democratic Party's (LDP) slim majority is expected to have a difficult time convincing the opposition parties to go along with the planned increase in defense spending. Critics of the budget are quite worried that the "one percent of GNP" ceiling on defense is endangered by the slated rise contained in the FY 1984 budget. A "new limit" to further government expansion of the military establishment might become the major issue in the current Diet budget discussions.

A Problematic Budget

The FY 1984 budget is problematic both domestically and internationally in at least three ways. In terms of its overall framework, the budget is neither austere enough to shrink the huge budget deficit nor strong enough to stimulate the economy (see Tables 1, 2). To a large extent, the government's efforts are constrained by its debt servicing responsibilities, which amount to close to the expected revenue from new bonds. In addition to these difficulties, the Nakasone administration agreed during the election campaign

to a tax cut to counter the growing resentment of many taxpayers over the steady bracket creep since the last reduction in 1977.

In the international arena, the budget is considered to be too conservative. Government expenditures for infrastructure, such as highway and airport construction, are 2 percent below FY 1983's budget. The reduction in personal income taxes will be completely offset by hikes in the tax on corporate income, liquor and consumer electronics. In terms of the GNP account, the government will contribute only 0.2 percentage points in real terms to the 4.1 percent growth rate authorized at a Cabinet meeting on January 19th. Despite the government's assumption that Japan's economic expansion in 1984 will come mostly from the domestic economy, many Japanese economists are concerned that economic growth will continue to be led by exports, bringing renewed demands for more protection, especially from the United States.

Defense Spending--The government is in the same position vis-a-vis the defense allocation (see Table 3). The 6.55 percent defense increase has endangered the sacred one percent of GNP limit (see JEI Report No. 5A, February 10, 1984). The ratio will rise in FY 1984 to 0.99 percent -- compared to 0.98 percent for FY 1983. Still, the level of expenditures called for in the budget remain far below the necessary outlays required to achieve the mid-term military buildup plan (FY 1983-87). The members of the Western alliance, especially the United States, are anxious about this since they feel that achievement of this plan would be evidence of Japan's intention to contribute to the defense of the free world.

Nonetheless, the increase in defense spending is far larger than the increase in the general account (0.5 percent). "The priority accorded to defense rather than expenditures for items like welfare, education and public works has indeed become established," Yukio Sato, a former researcher at the International Institute for Strategic Studies in London told JEI. Five years ago, the policy was to hold defense expenditures below those for welfare, education and public works. In FY 1981, for the first time since the war, defense spending hit 7.61 percent, exceeding the rate of increase for all other major budget items. In FY 1982, the hike was 7.78 percent -- compared with 6.2 percent for the total budget. In FY 1983 and FY 1984, the share of general expenditures (the government's total spending minus debt service and revenue sharing) accounted for by defense spending increased remarkably, rising from 7.2 percent in FY 1979 to 9.0 percent in FY 1984. Since 1979, when the Japanese government first adopted fiscal austerity, the cumulative increase in defense expenditures has been 40 percent--while general expenditures have increased only 11.5 percent. Given this trend, it will be quite difficult to retain the one percent ceiling on defense expenditures in FY 1985--to say nothing of 1984--if wages for government employees are raised by more than three percent.

Although domestic critics see this growth as notably rapid, Japan's defense effort is still considered sluggish by its Western allies. This may be a problem if it turns out that the mid-term military buildup is unattainable. And attainment will be difficult given that only about 27 percent of the plan has been fulfilled to date, despite the Japan Defense Agency's hope that it

The JEI REPORT (ISSN 0744-6489) is published weekly for $40 per year by the Japan Economic Institute of America, 1000 Connecticut Avenue, N.W., Washington, D.C. 20036. Second class postage paid at Washington, D.C. POSTMASTERS: Send address changes to JEI, 1000 Connecticut Avenue, N.W., Washington, D.C. 20036.

would be 40 percent completed in the first two years. Even though the Ministry of Finance (MOF) considers the plan an internal document to be used for the purpose of budget negotiations, abroad it appears to be considered a government commitment.

Economic Aid--In every office in the MOF's Budget Bureau, there are exhortations stressing austerity on large sheets of paper pinned to the wall. In the office that oversees the budget for agencies handling overseas aid, the slogan reads "Never Say 'A Special Item', That is Against Our Goal of Budget Rehabilitation!" But the 7.9 percent hike in economic assistance is the highest increase granted any item. Many Japanese taxpayers will wonder about this exception when they have to cope with added costs resulting from the government's budget squeeze. Spending cutbacks will be felt in welfare (up two percent), education (up one percent), public works (down two percent) and the food control account (down 11 percent). Tuition for the national universities, public housing charges, rice prices and Japanese National Railway fares will all rise in FY 1984.

Despite this attention, the aid program still won't come close to meeting Japan's goal of doubling official development aid (ODA) during FY 1981-85. In order to meet this goal, the aid budget would have to be increased 14 percent in each of the five years. The actual budget increases for ODA have been only 12.8 percent in FY 1981, 11.4 percent in FY 1982, 8.9 percent in FY 1983 and 9.7 percent in FY 1984. Furthermore, the amount of disbursed aid if measured in dollars fell 4.1 percent and 4.7 percent in FY 1981 and FY 1982, respectively. Japanese government officials acknowledge that it will be impossible to meet the aid-doubling total since it would necessitate a 21.1 percent increase in FY 1985. One of the MOF officials who is in charge of the budget contends that "It is unreasonable to pledge the increases in disbursements contained in the long-term aid plan because the amount of possible disbursements is liable to be affected by many unpredictable factors, like fluctuations in the foreign-exchange rate, national economic growth and policies by foreign governments that often delay implementation."

The Budget Process

Domestic and Foreign Reaction--Almost every Japanese newspaper shared the opinion voiced by a Tokyo Shimbun headline on January 26th which stated "Priority on External Interests, Adverse Effects on Our Own Lives". A letter to the editor published in Asahi Shimbun on January 26 reflected the feelings of many Japanese when the author wrote that he could not agree with the "extraordinary" increase in defense expenditures "while taxpayers are forced to suffer under a heavier tax burden." Many newspaper articles stressed that it was due to Prime Minister Nakasone that the budget contained the large increase in defense expenditures and in overseas economic cooperation.

In Washington, State Department officials commenting on Japan's FY 1984 budget said "We understand and appreciate the efforts of the Japanese political leadership to maximize budget allocations for defense at a time when serious fiscal problems force spending cutbacks elsewhere." In a meeting on January 27 with Japan's Minister of Foreign Affairs Shintaro Abe, Defense Secretary Caspar Weinberger also expressed his appreciation for the Japanese defense budget which "represents an increase of 4.75 percent in real terms." He also sent his

regards to Prime Minister Nakasone to whose private initiative he credited the higher increase in defense spending.

It is quite clear that the Japanese government has tried to impress on both domestic and foreign audiences that the budget focus is shifting dramatically from domestic to external concerns. The government is proceeding to educate the country to accept the retreat from the type of abundance supported by budget expenditures for welfare, education, public works or industrial development during the 1960s and 1970s. This proposition is being presented in the context of the budget balancing plan and the administrative reform proposals, both of which have the strong support of the business community. Continued budget deficits, it is thought, will tempt the government to repeatedly increase corporate taxes.

Ostensible Versus Actual--In Japan, the parliamentary Cabinet system, which has operated nearly thirty years under LDP rule, has given inconspicuous but substantial power to one group of bureaucrats in the Budget Bureau of the Finance Ministry. This group is sometimes compared to those stage assistants who, dressed in black clothes and veils, help manipulate lifesize puppets on the stage. But a better analogy would describe them as scriptwriters who dictate the actors role. These officials conduct their own internal budget process--the actual one rather than the one that is seen by the public. Like scriptwriters, they write a scenario. As in a play, they always allow the 'actors'--ministers or party leaders who represent various interest groups--some lines, but always under the constraints dictated by scarce resources and an enormous demand for government money. The budget scenario is worked out in the context of underlying economic conditions and the framework is determined primarily by the bureaucracy--but it must also have some dramatic appeal.

The highlight occurs during the week just prior to the Cabinet's final action. Five to seven days before this decision, the MOF's draft budget is authorized at a Cabinet meeting and each government agency is notified of its contents. Predictably, the amount is rejected as inadequate. The agencies campaign vigorously to recover a substantial amount of their original requests and are supported in this effort by interest groups and sympathetic Diet members. In the final act of the drama, there are usually at least four "actors" on stage: the Ministry of Finance and three LDP administrative leaders, including the secretary-general. At the last moment, the principal "actor" (the prime minister) participates in the play--(usually over the telephone)--to confirm the final decision.

However, the actual process occurs in reverse order. The budget experts first decide on the final numbers. Several days before the Cabinet authorization of the MOF draft, they remove a portion of the final amount which they later return in response to requests by concerned ministries and Diet members.

This two-stage decision is useful to impress the audience with the fact that certain sections of the budget are larger than they seem. For example, the defense budget increase of 6.55 percent was announced several days after the release of the MOF draft in which the increase was only 5.1 percent (less than FY 1983). The timing of the announcement made the increase seem larger than it really was (in fact, it was only slightly higher than FY 1983's level,

and far lower than 1978's 21.44 percent allocation). This was especially convincing when coupled with the chorus of criticism raised by Japanese journalists about the "extraordinary" recovery of the defense budget. Thus, the process was quite effective in impressing the audience with the Japanese government's support for defense spending.

The Role of the Leadership--In Japan, the ruling party is responsible for ensuring the passage of the budget, and after nearly thirty years of one-party rule, a widespread understanding has developed that the main role of the LDP is just to vote for passage. During Diet consideration, opposition party members ask critical questions of the Cabinet, but this has little effect on the final outcome since the LDP holds a majority of the Diet seats. In other words, the budget draft is really the final budget. The earlier opportunity for LDP members to have their say is considered so important that the deliberations in the Diet are not expected to cause any problems for the administration. Each member will have had a chance to participate in the budget process and exert pressure on behalf of items of interest to his constituencies.

In the last act of the play, the prime minister's assent is required to revise the defense budget. Mr. Nakasone's views on this subject had been spelled out during President Reagan's visit in November 1983, when the prime minister said that "with respect to the improvement of our own defense capability, I wish to make further efforts . . .". Koji Tanami, the Budget Bureau official in charge of the defense budget, explained in an interview with the Japan Economic Institute that, "In fact, we had only a narrow range of alternatives. In terms of the rate of increase, five percent was the minimum and seven percent was the maximum." The government was obligated to pay the procurement costs of items already in the pipeline and these costs by themselves necessitated at least a 4.6 percent increase. However, the prime minister had promised to maintain the one percent ceiling even before the election at a time when the LDP was still expected to win a clear majority. The one percent ceiling meant a maximum increase had to be below 7.47 percent.

The prime minister is said to have suggested the 6.55 percent figure when the MOF and key party leaders participating in the final decision on the budget failed to agree. Diet member Taku Yamazaki, a former parliamentary vice director-general of the Defense Agency and one of Mr. Nakasone's closest aides, pointed out in an interview with JEI the factors which he advised the prime minister to take into account when making the final decision on the defense budget: the impact of the budget on the domestic political situation; the constraints on the budget posed by the deficit; the requirements of the mid-term defense program begun in FY 1983; the maintenance of the one percent of GNP ceiling; and the implications of the defense budget for the Japan-U.S. relationship.

The Finance Ministry decision to support the increase had been expected. The rise was not too extreme and the hike demonstrated the administration's leadership ability. The ministry had already anticipated the amount necessary to generate a growth of spending above last year's increase. The amount worked out to about Y1.7 billion ($7.2 million). In conclusion, the ability of political actors to affect budget policy is less than it appears to

be. It is true that top LDP leaders, including Prime Minister Nakasone, exert a certain amount of leadership, but it is only marginal.

Timing the Deliberations

Because the general election was held late in the year, the budget deliberation process started later than usual and passage of the resolution might be difficult before April 1st, the start of fiscal 1984. Budget committee chairman Kuranari says he is optimistic that "(the opposition parties) won't be so childish as to delay the deliberation process only to trouble the government."

But it remains to be seen whether Mr. Kuranari is right. The LDP can no longer rely on a clear majority and the opposition parties are very nervous about the possibility that the defense ceiling will be breached in FY 1985. Newspapers have already started to calculate the ratio of the defense budget to GNP down to the third decimal place and are reporting figures around 0.991 percent. This type of detailed calculation, which is quite unusual, sets the stage for the time when the one percent figure is violated by the annual wage increase scheduled to take effect for all government employees around the middle of the year.

The government will argue that if the opposition insists on a generous wage increase, it will be responsible for damaging both the tight budget and the one percent ceiling. The Director-General of the Administrative Management Agency, Masaharu Gotoda, has already commented on this relationship. The opposition is extrememly frustrated since it will be forced to make a difficult choice between maintaining the integrity of the defense cut-off or supporting the interests of government employees.

A New Limit?

Facing up to the arithmetic, Congressman Takashi Kosugi, a member of the New Liberal Club (NLC), whose members joined the ruling coalition with the LDP after the December election, predicted that "now that the one percent ceiling is almost breached, we should give serious attention to a new limit to the defense budget." In Mr. Kosugi's view, defense policy should be part of a comprehensive philosophy, not only a ceiling on military costs. "The NLC," he stated, "could only do a few things when the FY 1984 budget was composed. We were, however, able to contribute somewhat in helping to minimize tax increases and reform the government structure. In the case of external issues, we failed to persuade Prime Minister Nakasone to keep the rate of increase in defense spending below that of FY 1983 (6.5 percent). However, we were influential in obtaining an outstanding increase in overseas economic aid, which registered the largest rate of increase (7.9 percent) of all items." A bigger rise in overseas economic aid, he told JEI, as opposed to an increase in defense spending, is more in line with the NLC's "Comprehensive Security Policy" since this policy advocates a well-balanced national security program that contains not only military but also economic measures.

At a Diet session in December 1982, the prime minister also mentioned this "new limit." At the time, he was still able to adopt a bold defense stand since the LDP held a clear majority in the legislature. But the opposition

parties, led by the Japan Socialist Party (JSP), will be strongly opposed to any concept that allows for unlimited military expansion. Budget authorities, who want to keep defense spending under control, are naturally reluctant to support the idea. One official said "it is typical of the Japanese way of thinking to seek a 'new tool' (in this case a new ceiling) at the precise moment when the existing tool begins to have a significant policy impact."

The budget process addresses an underlying problem--the Japanese political leadership's ability to influence decisions. As with defense, many important policymaking activities are both controlled by the amount of money appropriated by the bureaucracy and on the other hand are subjected to external pressure originating mainly in the United States. The defense issue is only the most clear-cut example.

The discussion on the "new limit" might simply turn into an easier way to expand Japan's military forces. However, it might lead to a more serious discussion on how the Japanese leadership--and indeed all elected officials--can strengthen their identity in order to come to terms with the difficult problem of what is the most appropriate way Japan can use its economic power to contribute to global security.

For further information, contact Hiroshi Ando.

The opinions expressed in this report are the author's and do not necessarily represent those of the Japan Economic Institute.

* * * * * *

Table 1: Japan's FY 1984 Budget

(in billions of yen)

	FY 1984	Percentage Change From FY 1983
Revenue		
Tax Receipts	Y34,596	7.1%
Non-Tax Receipts	3,351	-29.0
Proceeds From Bond Issues	12,680	-5.0
(For Deficit Financing Bonds)	(6,455)	
Total	50,627	0.5
Expenditures		
Debt Service	Y9,155	11.7%
Revenue Sharing	8,886	18.2
General Expenditures	32,586	-0.1
Social Security	9,321	2.0%
National Defense	2,935	6.65
Overseas Economic Aid	544	7.9
Education and Science	4,867	1.0
Energy	603	0.9
Pensions	1,886	-0.2
Small Business	229	-5.5
Food Control Account	813	-11.0
Public Works	6,520	-2.0
Total	50,627	0.5

Source: Ministry of Finance

Table 2: Deficit Financing as a Percent of the Budget

Year	Japan	United States	United Kingdom	West Germany	France
1965	5.2%	1.3%	n.a.	1.6%	n.a.
1966	14.9	2.8	n.a.	1.8	n.a.
1967	13.8	5.5	n.a.	10.2	4.0%
1968	7.7	14.1	n.a.	6.5	5.9
1969	5.9	n.a.	n.a.	n.a.	n.a.
1970	4.2	1.5	n.a.	n.a.	n.a.
1971	12.4	11.0	n.a.	1.4	n.a.
1972	16.3	10.1	2.9%	4.3	n.a.
1973	12.0	6.0	8.7	2.6	n.a.
1974	11.3	1.7	12.1	7.7	n.a.
1975	25.3	13.9	18.4	21.1	12.2
1976	29.4	18.2	14.2	15.9	6.4
1977	32.9	11.2	11.9	12.9	5.6
1978	31.3	10.9	16.3	13.9	7.4
1979	34.7	5.6	10.9	12.8	5.5
1980	32.6	10.3	13.1	12.8	5.6
1981	27.5	8.8	9.5	16.3	11.8
1982	29.7	15.2	8.0	16.3	11.3
1983*	26.5	26.0	8.1	16.3	13.1
1984*	25.0	20.9	n.a.	14.6	n.a.

*Estimated.

Source: Ministry of Finance

Table 3: Defense Budget

Fiscal Year	Percentage Change in Total Budget*	Defense Budget			
		Percentage Change	Share of Total Budget	Share of "General Expenditures"	Share of GNP
1962	24.3%	15.66%	8.9%	10.9%	1.18%
1963	17.4	15.69	8.5	11.0	1.18
1964	14.2	14.03	8.5	10.6	1.14
1965	12.4	9.57	8.2	10.3	1.07
1966	17.9	13.02	7.9	9.7	1.10
1967	14.8	11.81	7.7	9.7	0.93
1968	17.5	10.81	7.3	9.3	0.88
1969	15.8	14.63	7.2	9.4	0.84
1970	18.0	17.72	7.2	9.5	0.79
1971	18.4	17.80	7.1	9.5	0.80
1972	21.8	19.27	7.0	9.1	0.88
1973	24.6	16.90	6.5	8.7	0.85
1974	19.7	16.84	6.4	8.5	0.83
1975	24.5	21.44	6.2	8.4	0.84
1976	14.1	13.94	6.2	8.0	0.90
1977	17.4	11.79	5.9	7.8	0.88
1978	20.3	12.45	5.5	7.4	0.90
1979	12.6	10.18	5.4	7.2	0.90
1980	10.3	6.48	5.2	7.3	0.90
1981	9.9	7.61	5.1	7.5	0.91
1982	6.2	7.78	5.2	7.9	0.93
1983	1.4	6.50	5.5	8.4	0.98
1984	0.5	6.55	5.8	9.0	0.99

*General Account

Source: Ministry of Finance

R5650-2A

JAPAN · ECONOMIC · INSTITUTE

JEI REPORT

NO. 7B
February 17, 1984

INSIGHTS IN THIS ISSUE:

Tokyo Reviews U.S.-Japan Issues 1

Financial Reform Discussions Continue in Tokyo 3

Trade Law Revisions Advance in House 5

Keidanren Mission Lobbies Washington on Unitary Tax 7

Nisshin Steel Tying Up with Wheeling-Pittsburgh Steel 8

Japan Contests U.S. Fishing License Fees 10

Notes 11

Statistical Supplement 13

Tokyo Reviews U.S.-Japan Issues

As a result of visits to the United States by Foreign Minister Shintaro Abe and Minister of International Trade and Industry Hikosaburo Okonogi, the Nakasone government has re-evaluated its strategy for solving several long-standing and some newer bilateral issues. The Foreign Minister briefed the prime minister and the Cabinet on the results of discussions with U.S. officials held during his eight-day trip (see JEIR 5B, February 3, 1984). With the U.S. elections in mind, Mr. Abe strongly recommended that the sources of U.S.-Japan trade friction be eliminated "if not in two or three months, then in

Trade and Payments Data
(in millions of dollars unless otherwise indicated)

	1981	1982	January-December 1982	January-December 1983	October 1983	November 1983	December 1983
Japan's Balance of Payments							
Trade Balance	$ 19,967	$ 18,079	$ 18,079	$ 31,649*	$ 3,094*	$ 2,115*	$ 3,863*
Exports (f.o.b.)	149,522	137,663	137,663	145,429*	12,771*	12,174*	14,866*
Imports (f.o.b.)	129,555	119,584	119,584	113,780*	9,677*	10,059*	11,003*
Current Account Balance	4,770	6,850	6,850	21,024*	2,281*	868*	3,315*
Long-Term Capital (net)	-9,672	-14,969	-14,969	-17,798*	-2,379*	-1,412*	-1,882*
Overall Balance	-2,144	-4,971	-4,971	5,177	-172	1,078	1,037
International Reserves (end of period)	28,403	23,262	23,262	24,496	24,665	24,697	24,496
Japan's Customs Clearance Trade							
Trade Balance	8,741	6,900	6,900	20,455*	2,021	1,194	2,872*
Exports (f.o.b.)	152,030	138,831	138,831	146,932*	12,835	12,415	15,222*
Cars	18,445	18,015	18,015	19,540*	1,708	1,611	1,816*
Steel	16,669	15,645	15,645	12,850*	1,111	1,078	1,340*
Imports (c.i.f.)	143,290	131,931	131,931	126,478*	10,814	11,221	12,350*
Crude Oil	53,343	46,274	46,274	40,063*	3,072	3,536	4,286*
Japan-U.S. Trade							
Trade Balance	13,312	12,151	12,151	18,135*	1,976	1,937	2,205*
Exports (f.o.b.)	38,609	36,330	36,330	42,821*	4,043	4,022	4,654*
Imports (c.i.f.)	25,297	24,179	24,179	24,686*	2,067	2,085	2,450*
Yen-Dollar Exchange Rate							
Tokyo Spot Market (end of period)	Y219.90	Y235.00	---	---	Y233.60	Y234.00	Y232.20
U.S.-Japan Trade							
Trade Balance	-15,789	-16,778	-16,778	-19,289	-2,067	-1,931	-1,721
Exports (f.a.s.)	21,823	20,966	20,966	21,894	2,005	2,095	2,085
Industrial Supplies	8,983	9,173	9,173	8,734	795	797	875
Food and Feed	5,896	4,971	4,971	5,555	515	535	437
Capital Goods	4,767	4,434	4,434	5,116	474	555	567
Consumer Goods	1,318	1,356	1,356	1,394	121	111	112
Imports (Customs)	37,612	37,744	37,744	41,183	4,071	4,025	3,807
Automotive Products	12,950	12,890	12,890	14,919	1,380	1,399	1,443
Industrial Supplies	7,179	6,795	6,795	5,391	515	514	493
Consumer Goods	8,340	7,842	7,842	8,296	882	837	768
Capital Goods	8,589	9,530	9,530	11,896	1,224	1,219	1,045

*Preliminary

Japanese Economic Indicators

(percentage change from year-earlier period unless otherwise indicated)

	1981	1982	January-November 1982	January-November 1983	September 1983	October 1983	November 1983
Discount Rate (end of period)	5.5%	5.5%	5.5%	5.0%	5.5%	5.0%	5.0%
Outstanding Money Supply	8.9%	9.2%	9.3%	7.3%	7.2%	7.2%	6.8%
Industrial Production	1.0%	0.3%	0.6%	2.9%	6.3%	8.2%	7.9%
Manufacturing Operating Rate	-4.6%	-2.9%	-2.9%	1.0%	3.7%	7.5%	7.1%
Number of Bankruptcies	-1.5%	-2.8%	-2.8%	11.4%	24.1%	13.1%	17.7%
Residential Construction Starts	-9.2%	-0.5%	-0.7%	-1.5%	-3.7%	-2.0%	-1.6%
Job Openings to Applications (ratio)	0.68	0.61	0.61	0.59	0.59	0.60	0.63
Nominal Wages	5.3%	4.5%	5.1%	3.6%	3.5%	3.3%	2.7%
Labor Productivity	2.4%	1.0%	1.8%**	2.8%**	6.8%	n.a.	n.a.
Wholesale Prices	1.4%	1.8%	1.9%	-2.2%	-3.2%	-4.0%	-3.7%
Consumer Prices	4.9%	2.7%	2.7%	1.8%	0.7%	1.4%	1.8%
Yen-Based Export Prices	1.2%	3.9%	4.3%	-6.2%	-6.6%	-8.6%	-6.8%
Yen-Based Import Prices	1.6%	7.9%	7.9%	-7.7%	-10.6%	-15.0%	-14.2%

**Through September of each year only.

For Japan's most recent GNP figures, see JEI Report No. 1B, January 6, 1984.